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THE DIRECTOR OF CENTRAL INTELLIGENCE
WASHINGTON, D. C. 20505

KPS
Portugal
24

10 October 1975

MEMORANDUM FOR: The Honorable Henry A. Kissinger
Assistant to the President
(National Security Affairs)

SUBJECT : Intelligence Alert Memorandum:
Portugal: A New Crisis of Authority

1. The Azevedo government is under sharp challenge, especially from the far left, and the increasing politicization and breakdown of discipline in the Armed Forces raise serious questions about the regime's viability, even in the short run. It is certainly too early to count Azevedo and the moderates out, but their position is shakier.

2. The attached memorandum assesses the implications and possible outcomes of this situation. It was prepared by a working group from CIA, DIA, and State/INR, chaired by the Assistant National Intelligence Officer for Western Europe.

3. The Intelligence Community is keeping the situation under close watch; collectors in the field, already alert to the pressing need for timely reporting in the present circumstances, have been told of the growing concern at this end.

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for W. E. Colby

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Attachment

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INTELLIGENCE MEMORANDUM

SUBJECT: Portugal: A New Crisis of Authority

1. The Azevedo government is caught in a crisis of authority which threatens its continued viability. It would be premature to count out Azevedo and the moderates, but they face some critical challenges. Growing political instability stems from several sources:

- the subversive activities and demonstrations of the Portuguese Communist Party (PCP) and far-left groups;
- worsening economic and social problems, which are exacerbated by the influx of Angolan refugees;
- and, most critical, politicization and breakdown of discipline in the armed forces on a far more serious scale than ever before.

Breakdown of Discipline and Factionalization of the Armed Forces

2. The chance of widespread violence is enhanced by the inability of the Lisbon government to impose order. Our information on the loyalties of specific units is not complete, but many of the army units in Lisbon -- with the exception of the commandos -- appear to sympathize with various leftist groups. North of Lisbon, the army tends to support the government, but even there dissident far-left organizations, such as Soldiers United Will Overcome, have been able to subvert the orders of commanders in some units. The southern military region is divided and probably would not play a major role in a conflict.

3. The closely-knit Navy generally follows a leftist line. Only the Marines, whose political sympathies are divided, have the capacity to respond to a challenge to the government. The air force generally is considered the most conservative of the services, but a few leftist sergeants with access to aircraft could sabotage a ser-

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vice response to civil violence or a coup attempt. Neither the police nor the National Guard, even though they may support the government, can effectively maintain order in a crisis since both groups are under-armed. Government efforts to establish a new security force to replace the radical infiltrated Continental Operations Command (COPCON) have so far enjoyed scant success.

The PCP and Far-Left Groups

4. Despite the PCP's recent setback with the ouster of its ally former Prime Minister Goncalves and its reduced role in the new government, it continues to be a powerful force and maintains a disproportionately strong influence in the media in Lisbon and within organized labor. Although the Communists are still nominally participating in the government, they are at the same time supporting demonstrations against it and fomenting unrest in the military. It is the far left, however, that has been most active in staging protests and forcing confrontations that have led in some cases to violence. An exacerbating factor is the ample supply of arms which communists and far-left groups have at their disposal.

Returning Refugees

5. About 175,000 Angolan refugees have already returned to Portugal. Most are politically conservative and hostile to leftist military and civilian leaders who they believe sold out their interests in Africa. Many have small arms. Their frustration will deepen as the government is unable to handle their problems and they may feel they have little to lose in challenging the government. The refugees, many of whom have roots in the north, could, along with other conservative northerners, form an explosive force for conflict with leftist elements. Right-wing Portuguese exile groups in Spain are enlisting support from returned refugees.

6. The present volatile situation could lead in any of several directions. At present reading, the first alternative appears more likely, at least for the near term.

- The present government, or one like it, could survive. To consolidate its position, however, it would have to gain greater control over the Armed Forces.

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This poses a dilemma: if it tries harsher measures, as its recent statements suggest, it may encounter added resistance and indiscipline. If it seeks to conciliate by relaxing military discipline, it would legitimize dissidence in the Armed Forces, making for further violence and instability in the longer term.

- There could be the return of a more radical government, either of a pro-communist nature such as the Goncalves regime, or of the far-left with leaders such as a COPCON chief Gen. Otelo Saraiva de Carvalho or Adm. Antonio Rosa Coutinho. The communists would support either government and would certainly regain considerable influence. Such a regime would probably face renewed anti-communist violence in the north and separatism in Atlantic island possessions. Economic aid would not be forthcoming from the West.
- Large-scale civil disorder, involving segments of the civilian population and opposing military units may occur, fueled by the widespread arming of civilians of all political persuasions, and the disunity of the military. Although this violence could eventually deteriorate into a civil war, it would be more likely to evolve to the point where a leftist government is nominally in power in Lisbon with a state of anarchy in other parts of the country.
- An attempted rightist takeover by forces within Portugal and/or by expatriates based primarily in Spain is possible. The chances that this could be successful are extremely limited due to a lack of arms, personnel, funds, and popular support in Portugal.

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7. The Portuguese talent for last-minute accommodation to avoid final showdowns may once again reassert itself, and head off any decisive resolution of these uncertainties at least for a time. The Azevedo government, and the moderate elements in the Armed Forces and political parties still have assets -- including a majority of popular support. But the tendencies toward disintegration of institutions -- especially the Armed Forces and the government's control over them -- make the outlook more uncertain than ever.

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